

(S. B. 354)

(No. 51-2021)

(Approved October 22, 2021)

AN ACT

To amend Section 1020.08 of Act No. 60-2019, as amended, known as the “Puerto Rico Incentives Code,” in order to provide that the *Bona Fide* Farmer Certification shall be valid for a period of four (4) years; and for other related purposes.

STATEMENT OF MOTIVES

The agricultural industry is one of the most important economic sectors of Puerto Rico. Act No. 60-2019, as amended, known as the “Puerto Rico Incentives Code,” consolidates dozens of existing decrees, incentives, subsidies, reimbursements, or tax or financial benefits thus, promoting the environment, opportunities, and adequate tools to further the sustainable economic development of Puerto Rico. For this reason, over one (1) year after its approval, several actors and stakeholders of the agricultural sector have come to the conclusion that it would be convenient to amend some provisions regarding the *bona fide* farmer certification established in Section 1020.08 of the Puerto Rico Incentives Code. They specifically stressed the need to extend the effective period of the certification from one (1) year to four (4) years. The annual renewal of this certification constitutes an onerous burden on farmers who are required to file various documents for the issuance thereof. Extending the effective period of the certification shall also allow the Department of Agriculture to effectively assign its personnel to the different agency operations, thus benefiting farmers who seek the multiple services offered by the Department, and have more employees engaged in its agricultural affairs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- Section 1020.08 of Act No. 60-2019, as amended, known as the “Puerto Rico Incentives Code,” is hereby amended to read as follows:

“Section 1020.08.- Definitions Applicable to Agro-industry Activities.

(a) For the purposes of Chapter 8 of Subtitle B of this Code relating to Agricultural activities, the following terms, words, and phrases shall have the meaning and scope stated below:

(1) Bona fide Farmer: Means any natural or juridical person that holds a valid certification issued by the Secretary of Agriculture for the Taxable Year for which he claims the deductions, exemptions, or benefits provided in Chapter 8 of Subtitle B of this Code, certifying that during said year, said farmer was engaged in the exploitation of an activity qualified as an agro-industrial business, as such activity is described in paragraph (2) of subsection (a) of Section 2081.01, and derives fifty-one percent (51%) or more of his gross income from an agro-industrial business as operator, owner, or lessee, according to his income tax return or fifty-one percent (51%) of the value of the production and/or investment in an agro-industrial business as operator, owner, or lessee. The Bona Fide Farmer Certification shall be issued by the Secretary of Agriculture and be valid for four (4) years. The holding of this certification shall be contingent on the filing of the income tax return with the Secretary of Agriculture every year. If upon evaluation, the Secretary of Agriculture determines that any of the provisions of this Act has not been complied with, the certification shall be forthwith revoked.

Any person whose bona fide farmer certification has been revoked shall be prevented from applying for a fixed period of one (1) year. Any deductions, benefits, or exemptions recognized under this Act that have been obtained unlawfully shall be returned to the issuing agency, corporation, department, instrumentality, municipality or bureau.

(2) ...”

Section 2.-Effectiveness.

This Act shall take effect upon its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 51-2021 (S. B. 354)** of the **2nd Regular Session** of the **19th Legislative Assembly of Puerto Rico**:

AN ACT amend Section 1020.08 of Act No. 60-2019, as amended, known as the “Puerto Rico Incentives Code,” in order to provide that the Bona Fide Farmer Certification shall be valid for a period of four (4) years; and for other related purposes.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on this 3rd day of March, 2022.

Mónica Freire-Florit, Esq.
Director